



Irish Life Weekly Investment Bulletin

The week that was – WEEK 41 (ending 13/10/2017)

“There are two days in the year that we cannot do anything, yesterday and tomorrow.”
– Mahatma Gandhi

EU chiefs say Brexit talks deadlocked – The European Union’s Brexit negotiator Michel Barnier said the UK and the EU are stuck in a “disturbing” deadlock over financial commitments while European Commission president Jean-Claude Juncker said the UK needs to pay its “divorce bill” before trade talks can begin.

Draghi says interest rates will remain "lower for longer" – European Central Bank president Mario Draghi said at a G20 event in Washington that policy rates will not be raised until “well past” the end of quantitative easing. Draghi's words drowned out German hopes of low or negative rates finally nearing their end.

Global stock market up 0.4% on the week – The MSCI AC World TR Index showed a 0.45% rise from the 6th October to 13th October, despite geopolitical risks with Spain, North Korea, Turkish troops moving into Syria and Washington’s decision to question the U.S. agreement with Iran over nuclear development.

IMF revises global growth upwards – The International Monetary Fund in their latest World Economic Outlook forecasted global GDP to expand 3.6% this year and 3.7% in 2018, a 0.1% increase from the last update in July. Forecasts for eurozone, Japan, China, emerging markets and Russia were all revised upwards.

US retail sales and inflation rebound in September – After dropping 0.2% in August, US retail sales rebounded strongly in September, rising 1.6%, mainly down to higher motor fuel prices and motor sales after Hurricane Harvey. Higher fuel prices also contributed to a 0.5% rise in the Consumer Price Index.

Japanese stocks hit their highest level since 1996 – The Nikkei index closed at its highest level since December 1996 (but still well below its all-time high in December 1989) which mirrored other major stock indices reaching record highs, thanks to healthy growth prospects forecast for many global economies.

The Story of the week: Sam Quilliam, 28, from Dorset, almost died when fishing on Boscombe pier after a Dover sole jumped down his throat and stopped him breathing and he went into cardiac arrest. Paramedic Matt Harrison, of the South West Ambulance Service, used a laryngoscope to fully extend his mouth and a pair of forceps to "dislodge the tip of the tail" but it finally took six attempts to finally get the fish out in one piece which measured 14cm.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 13/10)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	16.1
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	6.5
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	9.1
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	12.1
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	15.9
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	22.7
Nikkei 225	22.9	56.7	7.1	9.1	0.4	10.7
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	25.8
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.0
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.3
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.3
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	0.6
Italy	4.6	4.1	2.1	1.6	1.8	2.0
Greece	12.7	8.2	9.6	7.9	7.1	5.5
Portugal	6.9	6.1	2.7	2.5	3.8	2.3
Spain	5.4	4.1	1.6	1.7	1.4	1.6
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.18
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.89
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.32
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	4.1% (to end of Q2)
U.K.	2.7	10.7	17.8	13.1	3.6	4.8% (to end of Q2)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance